

GIC Health Benefits to Change for Non-Medicare Retirees and Survivors Effective February 1, 2010

As you may be aware, health care costs continue to skyrocket. This trend is driven largely by continued high use of health care services, rising prescription drug prices and increasing charges for provider services, such as doctor and specialist visits, hospital services and imaging center services. For every \$1.00 the GIC pays in health plan premiums, approximately \$0.90 is paid to providers. As costs increase, so does the cost of our health care coverage that you and the GIC share. New laws are adding new members in January, February and the spring, adding to our expected costs.

As a result of these changes, the GIC projects a FY10 budget deficit of \$35 million. To help meet this deficit, the Commission voted on November 20, 2009, to implement benefit changes effective February 1, 2010. These changes will affect all Non-Medicare health plans; Medicare plan members are unaffected by these changes. If you or a family member is covered by a Non-Medicare health plan, these changes will affect you and/or your covered dependent(s).

While it is not unheard of for there to be a need for a supplemental budget when costs exceed planned levels, it is rare that benefit changes are needed mid year. Given the state's bleak revenue forecast, however, there is no expectation that a supplemental budget will be submitted this year to make up the projected deficit.

One bit of good news is that, as a result of these benefit changes, your health plan premiums will go down slightly, effective February 1, 2010.

Following is a summary of the benefit changes taking effect February 1, 2010. These changes apply to all GIC Non-Medicare health plans:

New calendar year deductible

Beginning February 1, 2010, health plan members must meet a calendar year deductible of \$250 per member, up to \$750 per family. You must pay this fixed dollar amount before your health plan begins paying benefits for you or your covered dependent(s).

Note: The deductible will not be applied to office visits, mental health/substance abuse benefits or prescription drug benefits. Ancillary tests and procedures performed during an office visit, however, are subject to the deductible.

See the reverse side of this notice for additional information about the deductible.

Increased Copays

Copays will increase for the following health care services:

COPAY	SERVICE
\$5 increase	Primary care physician office visits (across all tiers) Specialist office visits (across all tiers) Retail clinic visits Chiropractic visits Occupational therapy visits Physical therapy visits Speech therapy visits Routine eye exam visits Mental health/substance abuse outpatient visits
\$10 increase	Outpatient surgery (no increase for Fallon Select, Harvard Pilgrim Independence or Tufts Navigator)
\$25 increase	Hi-tech imaging (e.g., MRI, PET and CT scans) Emergency room visits

We realize that any increase in costs for health care services can have a significant impact on you and your family, and we regret having to make these benefit changes. The GIC will carefully evaluate the need to continue the changes in FY11.

Additional details about health plan benefits for FY11 will be included in your **GIC Benefit Decision Guide**. These guides will be delivered to your home before annual enrollment, which will take place April 12-May 10, 2010. Annual enrollment gives you the opportunity to change health plans, if you wish to do so.

Please contact your Non-Medicare health plan for additional information about the benefit changes taking effect February 1, 2010. See reverse side for phone numbers.



**Commonwealth of Massachusetts
Group Insurance Commission**

**Your
Benefits
Connection**

New Deductible Questions and Answers

Q. *What is a deductible?*

- A. This is a fixed dollar amount you must pay each calendar year before your health plan begins paying benefits for you or your covered dependent(s).

Q. *How much is the calendar year deductible?*

- A. The deductible is \$250 per member, up to a maximum of \$750 per family.

Here is how it works for each coverage level:

- **Individual:** The individual has a \$250 deductible before benefits begin.
- **Two person family:** Each person must satisfy a \$250 deductible.
- **Three or more person family:** The maximum each person must satisfy is \$250 until the family as a whole reaches the \$750 maximum.

Q. *What health care services are subject to the deductible?*

- A. The lists below summarize expenses that generally are or are not subject to the annual deductible. These are not exhaustive lists. You should check with your health plan for details. Also, as with all benefits, *variations in these guidelines below may occur depending upon individual patient circumstances and a plan's schedule of benefits.*

Expenses Generally **Exempt** from the Deductible:

- Prescription drug benefits
- Mental health/substance abuse benefits
- Office visits (primary care physician, specialist, retail clinics, preventive care, maternity and well baby care, routine eye exam, occupational therapy, physical therapy, chiropractic care and speech therapy)
- Medically necessary child and adult immunizations
- Wigs (medically necessary)
- Hearing Aids
- Mammograms
- Pap smears
- EKGs
- Colonoscopies

Expenses Generally **Subject** to the Deductible:

- Emergency room visits
- Inpatient hospitalization
- Surgery
- Laboratory and blood tests
- Bone density screenings
- X-rays and radiology (including high-tech imaging such as MRI, PET and CT scans)
- Durable medical equipment

Q. *How will I know how much I need to pay out of pocket?*

- A. When you visit a doctor or hospital, the provider will ask you for your copay upfront. After you receive services, your health plan will provide you and your provider with an explanation of benefits so that you will be able to see which portion of the costs you will be responsible for. The provider will then bill you for any balance owed.

GIC Non-Medicare Health Plans

Fallon Community Health Plan – Direct Care and Select Care	1-866-344-4442
Harvard Pilgrim Independence Plan	1-800-333-4742
Health New England	1-800-310-2835
Neighborhood Health Plan	1-800-462-5449
Navigator by Tufts Health Plan	1-800-870-9488
UniCare State Indemnity Plan – Basic, Community Choice and PLUS	1-800-442-9300